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FOR IMMEDIATE RELEASE

ADEQ Director Owens, Attorney General Goddard Fine Valley Refining \$75,000 for Air Pollution Violations

PHOENIX (June 6, 2003) -- Arizona Department of Environmental Quality Director Steve Owens and Attorney General Terry Goddard today announced that Valley Refining, LLC, has agreed to pay more than \$75,000 for violations of state air pollution control laws. The company operates a petroleum transmix facility in El Mirage, AZ.

According to the settlement agreement, the company admits having operated the facility with an expired air pollution control permit; failing to properly test and operate the vapor recovery system / thermal oxidizer that resulted in uncontrolled volatile organic compounds (VOCs) being emitted into the atmosphere; and failing to submit a vapor recovery operating plan.

"The Attorney General's Office is very serious about pursing violations of our state's air pollution control laws," stated Attorney General, Terry Goddard. "These types of emissions have a significant impact on respiratory problems and it is up to DEQ and our office to safeguard and protect Arizonans' health."

Valley Refining 2-2-2

Director Owens said that although the company cooperated with ADEQ's investigation, the violations clearly warrant the penalties.

"This company's lack of diligence in operating its facility led to significant, unnecessary air emissions," Owens said. "It is one thing to cooperate after-the-fact, quite another to take responsibility for operating a facility properly in the first place."

The violations began to surface during an annual inspection of the facility in February 2001, when inspectors determined that the vapor collection and processing system was not working properly. In March, ADEQ issued a notice for that violation, which allowed VOC emissions to escape into the atmosphere.

Despite reporting that the situation had been corrected in April, Valley Refining disclosed in June 2001 that it had not yet made the necessary repairs.

Officials estimate that 29.9 tons of uncontrolled VOCs were released to the atmosphere during the 18-month period between January 2000 through June 2001.

During that time, ADEQ officials also learned that the company was planning to sell the facility and had been operating it on an expired air quality permit.

The company entered into an order of abatement by consent in August 2001 and agreed to operate the facility in compliance with the terms of the order until the issuance of an air quality permit. In September 2001, the facility was sold to Equilon Enterprises LLC which complied with the provisions detailed in the order until the proper air quality permit was issued in June 2002.

Owens praised the work of the Attorney General's staff in resolving this case.